



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity
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Ministry of Industry and Commerce

No.: **1786/IC**
Vientiane Capital, dated: 7 September 2009

ADDITIONAL INSTRUCTION

of

The Minister of Industry and Commerce on Enterprise Registration
and Amendment of Enterprise Registration Certificates in accordance with Enterprise Law

- To:
- Provincial and capital Divisions of Industry and Commerce;
 - District Offices of Industry and Commerce countrywide.

Sub: Amendment of some contents of Instruction No.: 0995/IC, dated 19 June 2008

- Pursuant to the Enterprise Law No.: 11/NA, dated 19 June 2005 (the “Enterprise Law”).
- Pursuant to the Decree No.: 188/PM, dated 17 August 2006 on the Organization and Operation of the Ministry of Industry and Commerce.

Based on the implementation of the Enterprise Law and other laws and regulations relating to enterprise registration and amendment of an enterprise registration certificate (ERC) based upon the Instruction No.: 0995/IC, dated 19 June 2008 (the “Instruction”), some provincial Divisions of Industry and Commerce duly acted in accordance with those legislations, but some do not fully understand the significant requirements of the Enterprise Law and the use of application forms in order to create a software connection system to properly insert inputs into the National Database regarding business units. Moreover, those divisions are also confused regarding the delegation of responsibilities between the Provincial Divisions and the District Offices of Industry and Commerce to manage and change from a controlling system to a mechanism of managing, monitoring, promoting, and encouraging business units to be developed and to collect and use administrative income from the distribution of application forms.

The Minister of Industry and Commerce hereby issues this Additional Instruction:

I. Amendment of contents in item 1 of Clause 1.6 of the Instruction No.: 0995/IC, dated 19 June 2008

The industry and commerce authority has set up one enterprise registry office at the Division of Industry and Commerce of Vientiane Capital to serve and facilitate business operators and business units located in Vientiane Capital for enterprise registration. Currently, the total number of enterprise registry offices is 18; therefore, in order to implement duties in accordance with the vertical chain of command of the enterprise registry offices and to have rights and roles regarding the implementation of the Enterprise Law, the Instruction is amended as follows:

- (a) At ministry level: the enterprise registry office is located in the Department of Domestic Trade, Ministry of Industry and Commerce, having rights and duties to act as a center for enterprise registration and amendment of the ERC, registration of enterprise names countrywide and as a centralized National Database regarding business units as stipulated in (a) of Clause 1.6 of the Instruction and also having additional duties as set out in (b) and (c) herein.
- (b) At provincial and capital level: the enterprise registry office is located in the provincial and capital Division of Industry and Commerce, having rights and duties to provide enterprise registration and amendment of ERC services in accordance with (b) of items 1, 2, 3, 6, and 7 of Clause 1.6 of the Instruction.

Items 4 and 5 of Clause 1.6 of the Instruction shall be amended and replaced by (c) and (d) below:

(c) Designation of business activity and branch, distributing shop, and place of business

A branch, a distributing shop, or a place of business (factory, point of production, etc.) relating to the activity of a business unit shall be recorded on the back of the ERC. If the ERC has insufficient space, a draft ERC shall be used to fill in the information and be attached to the original ERC.

(d) Issuance of Approval of Enterprise Name

The issuance of an approval of enterprise name and a response regarding rejection of an enterprise name application may be done by a provincial and capital enterprise registry office provided it has received the approval for registration of the enterprise name from the enterprise registry office at ministry level.

II. Additional instruction on (c) of Clause 1.6 regarding Duties of the District Office of Industry and Commerce

A district office of industry and commerce shall consider and appoint its staff to act as coordinators to liaise with the enterprise registry office at ministry or capital level (for Vientiane Capital) and the provincial enterprise registry office. Any district with a single-window service unit in accordance with Decree No. 86/PM, dated 3/7/2007 shall appoint a coordinator to act as a service provider for enterprise registration and amendment of the ERC. In addition to the above, the district office of industry and commerce has additional duties:

a. Publication of Laws and Regulations

The district office of industry and commerce shall pay attention to widely disseminating laws and regulations to the public relating to enterprise registration and amendment of the ERC in accordance with the Enterprise Law by several means and forms.

b. The Use of Applications for Enterprise Registration and Amendment of ERC by each Enterprise Form and Category

The enterprise registry office shall only accept an application for enterprise registration and amendment of ERC that is duly and fully filled in and accompanied by supporting

documents. The application for enterprise registration of each enterprise form and category shall be distributed with one copy per individual business unit, and a business unit shall have one original copy with the official seal of an enterprise registry office (red seal) of which numerous copies can be made. For a form that does not have the red seal of an enterprise registry office or the seal of the district office of industry and commerce or the seal of a district single-window service unit, a district of enterprise registry office where the enterprise is registered shall collect a fee for the application in accordance with regulations.

c. Location and service for enterprise registration and amendment of ERC document delivery

Management of service provision for enterprise registration and amendment of ERC for business units and applicants for enterprise incorporation countrywide shall be carried out by one of three methods as follows:

1. An application can be submitted to the district office of industry and commerce or a district single-window service unit that accepts only applications for enterprise registration and amendment of ERC. If the district office of industry and commerce needs to provide an on-site service, it shall have an implementation plan for each village and shall distribute an application form and the instructions for filling out such a form in an appropriate manner. The office will then collect and summarize applications in an appropriate number to be sent to the enterprise registry office at the ministry, provincial, or capital level for enterprise registration and amendment of ERC in accordance with regulations.
2. A business operator or a business unit may submit an application by itself or authorize another person or a legal entity to apply for an enterprise registration and amendment of ERC with an enterprise registry office whose jurisdiction covers the place where the enterprise is located.
3. A business operator or a business unit with an office located within the Lao PDR may submit an application by itself or authorize another person or a legal entity to apply for an enterprise registration and amendment of ERC at an enterprise registry office at central level located in the Domestic Trade Department, Ministry of Industry and Commerce.

III. Management of implementation and use of income from distribution of application form

3.1. Promotion, management, monitoring, and inspection of operation of business units

For the promotion, management, monitoring, and inspection of the operation of business units having their office, branch, distributing shop, or place of business (factory, point of production, etc.) in any province, capital, or district, the provincial and capital trade inspection authority shall cooperate with the district office of industry and commerce and relevant authorities to manage and monitor the operation of the business units in installing their enterprise sign within 20 days of the enterprise registration. The enterprise sign shall be in accordance with the enterprise registration certificate, contain information such as enterprise code, enterprise registration number, location, contact number, fax, and email, and its background shall be yellow with red letters (for private enterprises) and a white background with red letters (for collective enterprises).

The enterprise sign shall be installed in an appropriate place in front of the office with its contents beginning with the enterprise name written in Lao followed by a foreign language and an appropriate letter size that fits the sign and can be read from 30 meters. The sign shall not contain other contents or advertising (it shall be a specific enterprise sign). Any business unit that operates its business without the enterprise registration certificate or that is not compliant with the ERC shall be sanctioned by the following measures:

- First offense: the business unit shall be reprimanded and issued a written warning and notice.
- Second offense: if the business unit violates the warning and is also breaching laws and regulations, it shall be fined LAK 200,000 to LAK 10,000,000 per case as stipulated in Articles 236, 237, 240, 241, 242, and 243 of the Enterprise Law.
- If it is a business under the supervision of a specific authority, the violation shall be notified to such authority so that measures can be implemented against violators in accordance with the regulations of the authority.

3.2. Management and Use of Technical Income

a. Management and Approval of Use of Technical Income

For the management and use of technical income as stipulated in Article 64 of Presidential Edict No. 03/P regarding the cost of printing and distributing application forms for enterprise registration and amendment of ERC, based upon each enterprise form, category, and the printing of ERC, an enterprise registry office shall make a plan for printing, collecting application fees, and technical income to be used in the work operation by referring to the plan for the use of annual budget in order to request approval from each level below:

- For the enterprise registry office at ministry level, approval for the use of technical income shall be granted by the Minister of Industry and Commerce upon request of the Director-General of the Domestic Trade Department.
- For an enterprise registry office at provincial and capital level, the approval shall be granted by the Head of the provincial and capital Division of Industry and Commerce upon request of the Head of the Domestic Trade Authority.
- For district offices of industry and commerce, the approval shall be granted by the Head of such office upon the request of a coordinator.

For district offices of industry and commerce with coordinators appointed to a position at a district single-window service unit, the approval shall be granted by a head of the service unit upon the request of the office.

b. The Use of Application Form Fees in Conducting Duties

For technical income generated by printing and distribution of application forms, and printing of the enterprise registration certificate for each enterprise form and category, the enterprise registry office where an enterprise is registered, shall collect a fee of LAK 30,000 for each application form and enterprise registration certificate (3 pages in total) from each business

unit to be a fund for continuing printing the application forms and the ERCs. For the cost of delivering applications and supporting documents for enterprise registration and amendment of ERCs, a deliverer shall bear such cost, and upon enterprise registration, an enterprise registry office where a business unit is registered shall bear the cost for delivering back the application and ERC and the remaining balance shall be applied to the following work:

1. The enterprise registry office at ministry level

The cost of acceptance of an application for enterprise registration and amendment of ERC of business operators or business units delivered from the provincial or capital enterprise registry office to the enterprise registry office at ministry level shall comply with the following:

No.	Description of application form for each business form, category	Total cost of application form	Such cost shall be collected at	
			ERO at provincial, capital level	ERO at ministry level
1	- Sole-trader enterprise	40,000	10,000	30,000
2	- Limited sole company	80,000	50,000	30,000
3	- Partnership enterprise, company, state-owned, and mixed company	90,000	60,000	30,000

2. The district enterprise registry office and office of industry and commerce

The cost for acceptance of an application for enterprise registration and amendment of ERC of business operators or business units delivered from the district office of industry and commerce or a single-window service unit (a coordinator) to the provincial or capital enterprise registry office shall comply with following:

No.	Description of application form for each business form, category	Total cost of application form	Such cost shall be collected at	
			ERO at district level	ERO at provincial, capital level
1	- Sole-trader enterprise	40,000	10,000	30,000
2	- Limited sole company	80,000	50,000	30,000
3	- Partnership enterprise, company, state-owned and mixed company	90,000	60,000	30,000

IV. Collection of Enterprise Registration Fee

In order to collect the enterprise registration fee with a focus on effective implementation of Article 9 of Presidential Edict No. 03/P, dated 19 November 2008, the enterprise registry office at each level shall execute a delivery note indicating the fee amount for enterprise registration and send it to the finance authority acting as a centralized and single place for collection of such fee. The enterprise registry office has the duty to summarize its work on a monthly, quarterly, and yearly basis for the finance authority and relevant sectors to monitor

and inspect whether the collection of fees is in compliance with relevant laws and regulations.

V. Statistical Reporting System to the centralized National Database

Increased attention is to be paid to summarizing and collecting statistical information on registered enterprises or amended ERCs as stipulated in (d) of Clause 1.5 of the Instruction No. 0995/IC and sending it to the enterprise registry office located in the Domestic Trade Department, Ministry of Industry and Commerce as a center for summarizing the information into the National Database regarding business units countrywide duly registered and who have amended their ERCs and as a facility for publication of information on websites and by other means to the public. Therefore, it is necessary that the provincial and capital enterprise registry offices shall pay attention to summarizing and reporting the statistical information on a monthly, quarterly, and annual basis in accordance with the following conditions:

1. Provincial enterprise registry offices that have already installed software and been connected to a network shall recheck the information each time before sending and uploading every Friday evening.
2. Provincial enterprise registry offices that have a computer with software regarding the enterprise registration management installed, but are not yet connected to a network shall burn information onto a CD and send it to the enterprise registry office at ministry level monthly.
3. Provincial enterprise registry offices that have a computer but no software as stipulated in items 1 and 2 above shall type a report by using Saysettha OT Font in accordance with a given table, and thereafter burn the report onto a CD, copy it onto a USB, or print it out in hard copy and send it to the enterprise registry office at ministry level.

VI. Implementation

- The Domestic Trade Department, provincial and capital Division of Industry and Commerce are assigned to increase their attention to supervising the trade inspection authorities and cooperating with district enterprise registry offices and offices of industry and commerce and district single-window service units (if any) countrywide to effectively implement such work.
- Relevant authorities shall be informed and cooperate in the implementation of this Instruction.
- Individuals, legal entities, organizations, and business units which are state-invested, domestic, and/or foreign or private shall strictly comply with this Additional Instruction.
- This Instruction is additional to and revises and changes some contents of Instruction No. 0995/IC, dated 19 June 2008.

VII. Effectiveness

This Additional Instruction Contract shall enter into force on the date it is signed.

Minister of Industry and Commerce

[Seal and signature]

Dr. Nam Viyaket

Delivered to:

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| - District office of industry and commerce | "to implement" |

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